

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

July 22, 2014

Certified Return Receipt 7011 2970 0001 8827 9594

Travelers Casualty and Insurance Company of America 1100 East 6600 South, Suite 500 Salt Lake City, Utah 84121

Subject: Rejection of Cancellation Notice for Surety Bond

Vephi Sandstone, Cedar

Springs Quarry, M/023/0059, Juab County, Utah

Dear Sir or Madame:

On July 14, 2014, the Utah Division of Oil, Gas and Mining (Division) received your letter dated July 11, 2014, cancelling surety bond or the Cedar Springs mine operated by Nephi Sandstone Corporation. The cancellation would be effective October 3, 2014.

The Division rejects this cancellation. The terms of the surety bond require at least 90 days written notice before the bond may be cancelled. Ninety days from receipt is October 12, 2014.

Please contact me at 801-538-5261 or the minerals program bond coordinator, Penny Berry, at 801-538-5291 if you have questions concerning this letter.

Sincerely,

Paul Baker

Minerals Mining Manager Minerals Regulatory Program

PBB:pb

cc: Bruce Evans, Nephi Sandstone

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